

## AFFORDABLE HOUSING INDICATORS

### Introduction

#### I. Purpose of Affordable Housing Indicators

The key outcomes of the Countywide Planning Policies' affordable housing policies are to:

- Provide Sufficient Affordable Housing for all King County Residents
- Promote Affordable Home Ownership Opportunities
- Promote Equitable Distribution of Affordable Low-Income Housing throughout King County

The Affordable Housing Indicators were developed to monitor the achievement of the Countywide Planning Policies for affordable housing and to identify trends that are both consistent and inconsistent with these policies. Over time, the Affordable Housing Indicators will allow the Growth Management Planning Council (GMPC) to evaluate the region's progress in fulfilling the adopted Countywide Planning Policies for affordable housing.

#### II. Key Observations

##### *Indicator #21 Supply and demand for affordable housing.*

- There are approximately 95,200 renters in King County who earn less than 50% of median income, including 52,080 renter households who earn less than 30% of median .
- For the 52, 080 renter households who earn less than 30% of median income income (\$15,930 for a family of three), there are virtually no market-rate rental units available. Approximately 30,000 of these households are currently living in assisted rental housing, but the other 22,000 households will necessarily be housed in higher cost units than they can afford.
- Although there are about 70,000 market rate units affordable to renters between 30 and 50% of median income, all low income renters must compete with each other and with higher income renters for the limited number of available low-cost units.
- Only 3.5% of single-family rental units (rental houses) are affordable to households with incomes below 50% of the median (\$20,700 - \$29,500).
- An additional 5,500 individuals in the County are homeless.

##### *Indicator #22 Percent of income paid for housing.*

- The lower a household's income is, the more likely they are to pay a higher percentage of their income for housing costs. This is true for renters as well as homeowners.
- When low income families pay more than 30% of their income for housing, resources are often diverted from other essentials -- clothing, food and utilities. These households may also be at greater risk of homelessness.
- Nearly 80% of *renter* households making less than 50% of median income, paid more than a third of their income to housing costs in 1990. Low income renters have no protection from rising monthly rents and build no equity in their homes.
- Of *homeowner* households making less than 50% of median income, approximately 45% paid more than a third of their income to housing costs in 1990.

##### *Indicator #23 Homelessness.*

- Existing estimates of total persons homeless in King County are in the range of 5,500; this number includes an educated guess of the unsheltered population outside Seattle. The unsheltered population that is dispersed outside Seattle is the least documented segment of the homeless.

## AFFORDABLE HOUSING INDICATORS

- The Crisis Clinic's Community Information Line, a key referral source for homeless people, has experienced a 41% increase from 1996-1998 in callers seeking emergency shelter.
- Operation Nightwatch assisted a total of 16,615 persons in 1993 and a total of 45,821 persons in 1998 - nearly three times as many in a period of five years.

### **Indicator #24 Home purchase affordability gap for buyers with (a) median renter household income and (b) median household income.**

- Despite falling interest rates and rising incomes, home ownership is not an affordable option for first-time home buyers in King County with moderate incomes
- In 1998, the median renter household had an income of \$32,000 and could afford to purchase a home for \$105,400. Fewer than 2% of homes sold for this amount or less in 1998. At 80% of median income, a household could afford a home at \$125,700. Only 7.5% of single family homes were priced at or below this amount. The median price for a conventional single family home was \$215,000. By February 1999, the median price for a single family home in King County had risen to \$232,000.
- Currently the median renter can afford to pay less than half the amount of the median home price.
- A household at 100% of median income could purchase the median-priced home in 1993 and 1994, but faced a growing affordability gap from 1995 - 1998. Although the median income of King County households is rising and interest rates fell slightly during 1997 - 1998, the price of homes has continued to increase at a rapid rate. The median home price in 1998 was 42% higher than in 1993.

### **Indicator #25 Home ownership rate.**

- King County's home ownership rate of 59% remains nearly the same as it was in 1990. It is considerably lower than the national rate of 66% and the statewide rate of 63%. However, it is more appropriate to compare it to other metropolitan areas. The average home ownership rate within metropolitan areas was 63.7% in 1997.
- The home ownership rates in Washington State, and the United States have each risen over the past 7 years, although Washington State's is lower than it was in 1980.
- The rising cost of home ownership in King County has been somewhat offset by the availability of lower interest rates during the past few years. However, affordable home ownership opportunities continue to be more abundant in the neighboring counties than in King County.

### **Indicator #26 Apartment vacancy rate.**

- After showing a marked downward trend from 1994 - 1997, King County's overall average vacancy rate rose slightly to 3.3% in 1998. Vacancy rates vary widely across King County sub-regions.
- Low vacancy rates suggest demand for new units and upward pressure on rents. High rates suggest excess capacity and downward pressure on rents. A vacancy rate of 5% is generally regarded as a normal market rate.

### **Indicator #27 Trend of housing costs vs. income.**

- The median price for a single family home was \$215,000 in 1998. The median price for condos was \$131,000. House prices have increased an average of 6.7% each year since 1990, while median household income has increased an average of 3.8%. Increases in average rent have correlated more closely with changes in median income.
- Home prices in the Puget Sound region rank among the highest in the nation. King County has the highest home prices within the region. In September 1998, the average home price (single family and condos) in King County was 55% higher than in Pierce County and 28% higher than in Snohomish County.

## AFFORDABLE HOUSING INDICATORS

- Average rent for a two bedroom, 1 bathroom apartment in King County was \$708 in 1998, up 8% from \$655 in 1997.

### *Indicator #28 Public dollars spent for low income housing*

- In 1998, \$19,350,912 was spent for low income housing in King County. \$7,928,130 was spent outside of Seattle, and \$11,422,782 was spent within Seattle. These public dollars also leverage a significant amount of federal and state funds.

### *Indicator #29 Housing affordable to low-income households.*

- Overall, South King County and the rural cities have the highest proportion of existing affordable housing.
- Cities on the eastside have the lowest proportion of affordable housing. Most cities in the north end of the County also have a lower than average proportion of affordable housing.
- Seattle has a moderate percentage (19%) of affordable rental units, but a fairly low percentage of homes affordable to first-time buyers (11%).
- To meet demand, and to satisfy the goal of equitable distribution of affordable housing, at least 38% of a jurisdiction's total housing stock would need to be affordable to households earning less than 80% of median income. 10 King County cities meet this criteria. Another 6 cities have 20% - 34% of their housing stock at affordable levels. 8 cities have 10 – 20% affordable housing, while 16 more cities have less than 10% of their units affordable to either rent or buy.

## III. Discussion

### *Affordable Housing in the Countywide Planning Policies*

The Countywide Planning Policies (CPPs) stress the importance of providing affordable housing for all economic segments of the population, and the need for an equitable distribution of affordable housing throughout the County's jurisdictions.

The Countywide Planning Policies call for all jurisdictions in King County to plan for a certain number of housing units affordable to each of two income groups:

- Each jurisdiction shall plan for 17% of its projected net household growth over the 20 year planning period to be affordable for households with incomes between 50% and 80% of the County median household income.
- Each jurisdiction shall plan for an additional 20% or 24% of its projected net household growth to be affordable for households with incomes below 50% of the County median household income.

Countywide efforts for affordable housing are designed to reverse current trends, which concentrate low income housing in certain communities, and to achieve a more equitable participation by local jurisdictions in low income housing development and services. Factors that are important to the distribution of low and moderate income housing include proximity to low-wage employment, access to transportation and human services, adequacy of infrastructure to support housing development, avoiding the over-concentration of assisted housing, and increasing housing options for low and moderate income households.

A key factor in promoting affordable housing is providing sufficient land for housing development. The CPPs encourage jurisdictions to provide for affordable housing by zoning additional land for higher residential densities. Upzoning provides capacity for growth, reduces land development cost per unit, and allows for lower cost construction types such as attached dwellings. Higher density housing includes a range of housing types including small-lot single family, attached single family, mobile home parks, apartments and condominiums. Zoning changes that permit additional housing in established areas might

## **AFFORDABLE HOUSING INDICATORS**

allow accessory units (mother-in-law units), carriage houses and residences built above commercial establishments. These options can contribute to affordable housing opportunities.

### ***Affordable Housing for First Time Buyers***

The ability of households to purchase their first home is a critical measure of housing affordability. The home ownership rate remains at 59% in King County, the same as in 1990. It has fallen from 65% to 63% in the metropolitan area. King County's home ownership rate is lower than the rate of 64% for metropolitan areas across the nation.

The typical renter household's income is only 67% of the County overall median household income. In 1998, the typical renter using first-time buyer financing could afford to buy a home for \$105,500. The median-priced single family house on the market sold for \$215,000. By February of 1999, the median single family house price had risen to \$232,000. First time buyers face an affordability gap throughout the four-county region (King, Kitsap, Pierce and Snohomish Counties), but the problem is significantly worse in King County. Households that relocate outside of King County to find affordable homes may face longer commutes and greater household disruption.

Condominiums potentially create more affordable home ownership opportunities for first time buyers. However, in King County in 1998, the median-priced condominium was out of reach at \$131,000. The median price of a condo rose to \$148,990 in February of 1999. However, since most condominiums are two bedrooms or less, condominium purchase is predominately a choice for "empty-nesters" rather than for families. The conversion of rental housing to condominium ownership also diminishes the supply of rental housing.

### ***Affordable Housing for Low-Income Home Buyers***

Although increasing the supply of affordable ownership housing is a significant factor in boosting home ownership rates, for many low-income households simply increasing the supply is not enough. Attention must be paid to the demand as well as the supply side of the housing equation. These households face problems qualifying for loans to purchase housing. Many low-income households, especially those who have only lived in rental units, are ignorant of how to qualify for a mortgage loan or how to maintain a home. Since low-income households often have little income for housing maintenance after paying the mortgage, insurance and property taxes, maintenance programs could inform these owners about their responsibilities and also identify cost-effective methods for home maintenance.

### ***Affordable Housing for Low-Income Renters***

One dilemma that affects all low-income households is a lack of choice in the location of their housing. Low-income households' housing choices are constrained because the affordability of housing is much more critical to these households than it is to higher income households. The Affordable Housing Indicators show both that there is a great need for housing affordable to low-income households and that most of the housing affordable to these households is in south or rural King County. Many affordable units are located in areas with insufficient transportation and inadequate services. Often these affordable housing opportunities will not be conveniently located to a household's place(s) of employment. Given the location of much of the housing affordable to low income people, many will suffer from lack of adequate transportation, services and access to employment. These factors will increase their cost of living and affect their ability to pay for basic expenses such as food and health care.

## AFFORDABLE HOUSING INDICATORS

### IV. General Information About Indicators and Data Sources

Indicators 21 through 29, were developed to track affordable housing. Data for some of the Indicators are collected on a frequent basis, but many of the Indicators rely on U.S. Census data which is collected only every 10 years. If needed, the detailed report for each Indicator cites an option for either a more frequent or more reliable data source for that Indicator.

### V. Definitions of Terms

- **Affordability gap** is the difference between the home price a household can afford and the price of a typical home on the market.
- **Affordable housing** for renters assumes that a renter household pays no more than 30% of its total household income towards housing costs (including utilities). Affordable housing for homeowners assumes that a homeowner household pays no more than 25% of its total household income towards mortgage payments (i.e., principal and interest). This leaves 5% of income for taxes, insurance, utilities, and maintenance.
- **The homeless population** refers to number of people sleeping in places not meant for human habitation (e.g. streets, parks, alleys, all-night commercial establishments, squatter situations, campgrounds, vehicles, railroad cars and other similar places); and to those in emergency or transitional shelters (including hotel/motel voucher arrangements paid because the person or family is homeless).
- **Housing cost for renters** includes rent and the estimated average monthly cost of utilities and fuels that are paid by the renter. **Housing cost for owners** includes payments for mortgages or similar debts on the property; real estate taxes; insurance; utilities and fuels. It also includes monthly condominium and mobile home costs.
- **Housing units** may be defined differently according to the data source used. For instance, some sources include condominiums in calculating median and average home prices, and some do not. The definition of housing units is provided with each Indicator in the full report. In general, single family homes include mobile homes.
- **Median household income** is the income earned by the middle household if all households are arranged in order according to income. Half of the county's households earn below median income and half earn above median income. **Median renter household income** is the income earned by the middle renter if all renter households are arranged according to income. The median renter household income is approximately 67% of median household income.

## AFFORDABLE HOUSING INDICATORS

**Outcome:** Provide Sufficient Affordable Housing for all King County Residents

### INDICATOR 21: Supply and demand for affordable rental housing\*.

*\*In 1998, approximately 280,000 households in King County (41% of all households) depended on rental housing. Low income households, especially those below 80% of median income are much more likely to be renters, while those with incomes over 120% of the median for the County are predominantly homeowners. For this reason, the information below focuses on the affordability of rental housing. Home ownership affordability is monitored in Indicators #24, #25, and #27.*

Supply and Demand for Affordable Rental Housing: 1998							
INCOME		DEMAND	SUPPLY			SURPLUS OR DEFICIT	
Percent of Median Income (for a three-person household)	Affordable Rent at Top of this Income Range	Estimated Number of Renter Households in this Income Range	Market Rate Rental Units Affordable at this Income Range Only	Cumulative Market Rate Rental Units Affordable at this Income Level	Estimated Number of Subsidized Rental Units	Cumulative Deficit or Surplus of Market Rate Units	Cumulative Deficit or Surplus after Inclusion of Subsidized Housing
0% to 30% (\$0 - \$15,930)	\$ 398	52,080	420	420	30,000	-51,660	-21,660
31% to 50% (\$15,930 - \$26,550)	\$ 664	43,120	69,390	69,810	5,000	-25,390	9,610
51% to 80% (\$26,550 - \$42,480)	\$ 1,062	64,680	135,030	204,840	3,600	44,960	83,560
81% to 100% (\$42,480 - \$53,100)	\$ 1,328	44,520	24,770	229,610		25,210	63,810
101% to 120% (\$53,100 - \$63,720)	\$ 1,593	30,800	7,870	237,480		2,280	40,880
Over 120% (above \$63,720)	\$1600 and up	44,800	3,910	241,390		-38,600	0
<b>Total</b>		<b>280,000</b>	<b>241,390</b>		<b>38,600</b>		

#### Definitions and Notes:

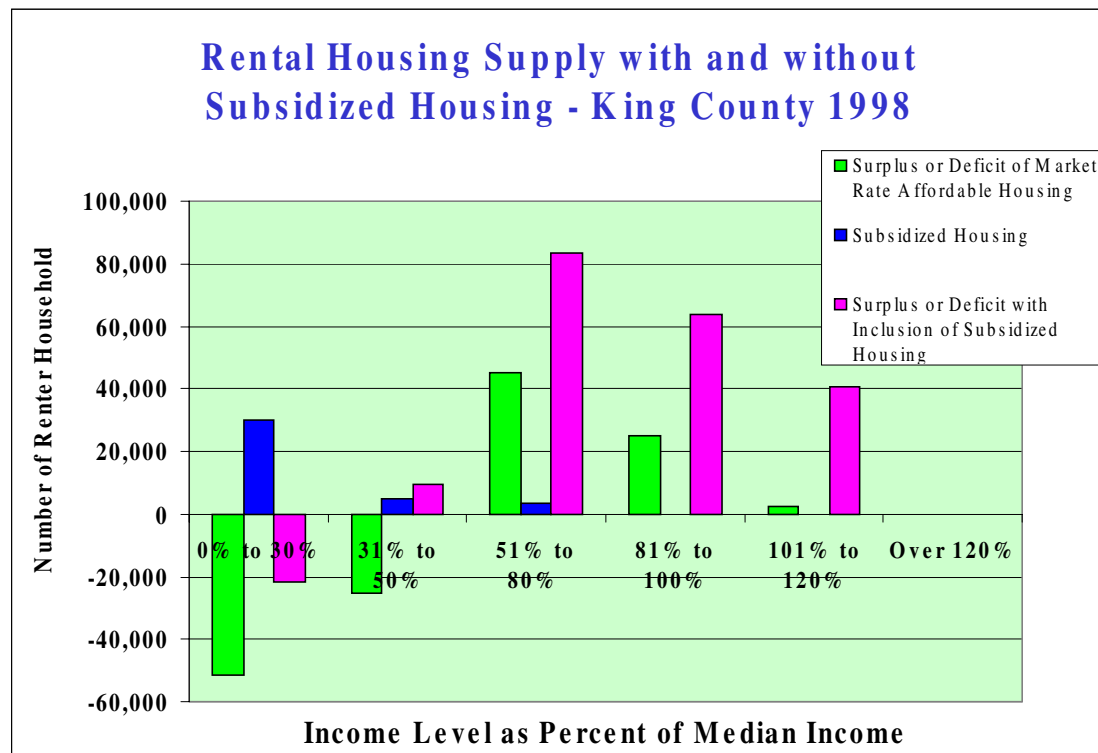
- Median income levels are based on the 1998 U.S. Department of Housing and Urban Development tables, giving the qualifying household income for each household size from single person to five-person households. For each household size the qualifying income at 30%, 50%, 80% and 120% of median is given. The table on page 73 shows the various income levels for households of 1 person and households of 4 persons.
- Affordable housing for renters assumes that a renter household pays no more than 30% of its total household income towards housing costs (including utilities).
- 80% of H.U.D. median household income was \$42,480 for a three person household in 1998. At this income, a household could afford a maximum of \$1062 in rent. The median rental for an apartment was \$700 and for a single family home it was \$1200. The table above includes both single family and multifamily rental units.
- To establish the current counts of renters and owners in King County, 1990 U.S. Census data was updated using information on new housing units permitted from 1990 – 1997, and adjusting for a rising proportion of multi-family (condominium and cooperative) sales. The accuracy of the estimates

## AFFORDABLE HOUSING INDICATORS

### INDICATOR 21

(continued from previous page)

- was validated by comparison with Puget Sound Regional Council, King County Assessor's data, and a review of the multi-family permits
- By spending less than 30% of their income for housing, households in each income category can also afford all the housing units affordable to lower income categories. The count given here above is cumulative, including all the housing units affordable at this income level as well as at lower income levels.
- When a household occupies a unit affordable to a lower income level, that decreases the supply that is actually available to the lower income households. Conversely, when there is a deficit of housing at the lowest income levels, those renters will increase the demand in the next most affordable category. Column 7 of the table reflects the affect of this upward shift in demand.
- Columns 4 and 5 of this table show the supply and demand for affordable housing without considering the effect of approximately 38,600 units of subsidized housing in the County.
- Column 6 shows the supply of these 38,600 subsidized units for low income groups. Exact data on how many subsidized units are occupied by various low-income groups is not available. It is estimated that about 80% of subsidized housing is occupied by households under 30% of median income.
- Column 7 shows the hypothetical deficit if only market rate units were available. The 38,600 subsidized units have been added back in Column 8.
- This table only compares the demand of actual renter households (by income group) in relation to the supply of affordable, occupied housing units. During 1998 about 3.3% of rental apartments were vacant, but it is not known whether that vacancy rate applies equally to apartments at each level of affordability.



## AFFORDABLE HOUSING INDICATORS

### INDICATOR 21

(continued from previous page)

#### Observation:

- For the 52,080 renter households who earn less than 30% of H.U.D. median income (\$15,930 for a family of three), there are virtually no market-rate rental units available. A household supported by a full-time worker earning \$7 or \$8 per hour would be in this group.
- There are a total of 38,600 assisted rental units in the County, available at various low income levels. An estimated 30,000 of the lowest income households (0% - 30% of median) are currently living in assisted rental housing, but the other 22,000 households in this income group will necessarily be housed in higher cost units than they can afford.
- Another 43,000 renter households earn between 31% and 50% of median income (less than \$26,550 for a household of three). Although there are nearly 70,000 market rate units affordable to renters between 30 and 50% of median income, all 95,000 low income renters must compete with each other and with higher income renters for the limited number of available low-cost units. As a result, H.U.D. found that as many as 41% of all King County were not able to find rental units that were affordable within their income range (See Indicator #22)
- An additional 5,500 individuals in the County are homeless.
- Most multi-family rental units are affordable to those households that have 80% or more of median income. A sufficient number of units are affordable to those in the 50 - 80% range.
- Median rent for all multi-family units was \$700 by the end of 1998, requiring an income of at least \$28,000. This would be unaffordable to a household supported by one wage-earner making \$13.00 an hour.

#### Single Family Rentals

- Only 3.5% of single-family rental houses are affordable to those with incomes below 50% of the median (\$20,700 - \$29,500).
- The median rent for a single family house was \$1,200 at the end of 1998. A household would need to earn at least \$48,000 (e.g. two wage earners, each making \$11.50 an hour) to afford this rent. 70% of all single family rentals cost more than \$1000 to rent.

#### Background Profile of Rental Market

- The universe of renters and the universe of owners are distinct. Half of renter households earn less than 70% of the median income for their household size. (under \$28,900 - \$41,300). An adequate supply of affordable rental housing is particularly crucial for low income households.

**Data Sources:** The primary source for this data is a recent Dupre + Scott study, *King County Housing Affordability*, commissioned by King County. The rental data was gathered by survey and therefore does not represent a 100% count of the housing in King County. The sample is approximately 73% of all complexes with more than 20 units. For buildings with 2 to 20 units, the sample size is approximately 9%. For single family homes the sample is 2.5%.

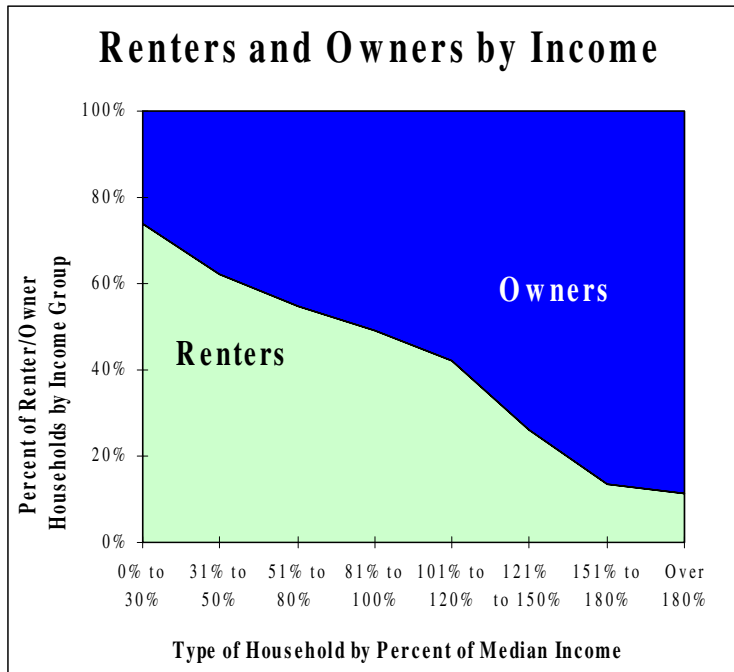
Other data sources which were used to complement the D+S study include: 1990 U.S. Census, Public Use Micro-Sample (P.U.M.S. - U.S. Census Bureau) data, H.U.D. data, and other King County sources such as building permit information and King County Assessor's data.



## AFFORDABLE HOUSING INDICATORS

### INDICATOR 21

(continued from previous page)



### 1998 H.U.D. Income Levels by Household Size (Rounded to nearest \$100)

Percent of Median Income	1 Person HH	4 Person HH
30%	\$ 12,400	\$ 17,700
50%	\$ 20,700	\$ 29,500
70%	\$ 28,900	\$ 41,300
80%	\$ 33,000	\$ 47,200
100%	\$ 41,300	\$ 59,000
120%	\$ 49,560	\$ 70,800

*The Comprehensive Housing Affordability Strategy (CHAS) Databook*, 1990, also published by H.U.D., is the source for the number and percent of renter and owner households by income group. It also gives the percent of renter households (41%) that were paying more than 30% of their income for housing at the time of the 1990 Census.

Information on subsidized housing was obtained from the *Seattle Office of Housing* and from the *King County Housing and Community Development Program* of the Department of Community and Human Services.

**Policy Rationale:** The policy rationale stems from Countywide Planning Policies FW-28, AH-1, 2, 3, & 5, which recognize the importance of existing and new affordable housing to meet housing needs for all income groups. The Indicator will track the incremental changes in the supply and proportion of rental units affordable to different income groups.

## AFFORDABLE HOUSING INDICATORS

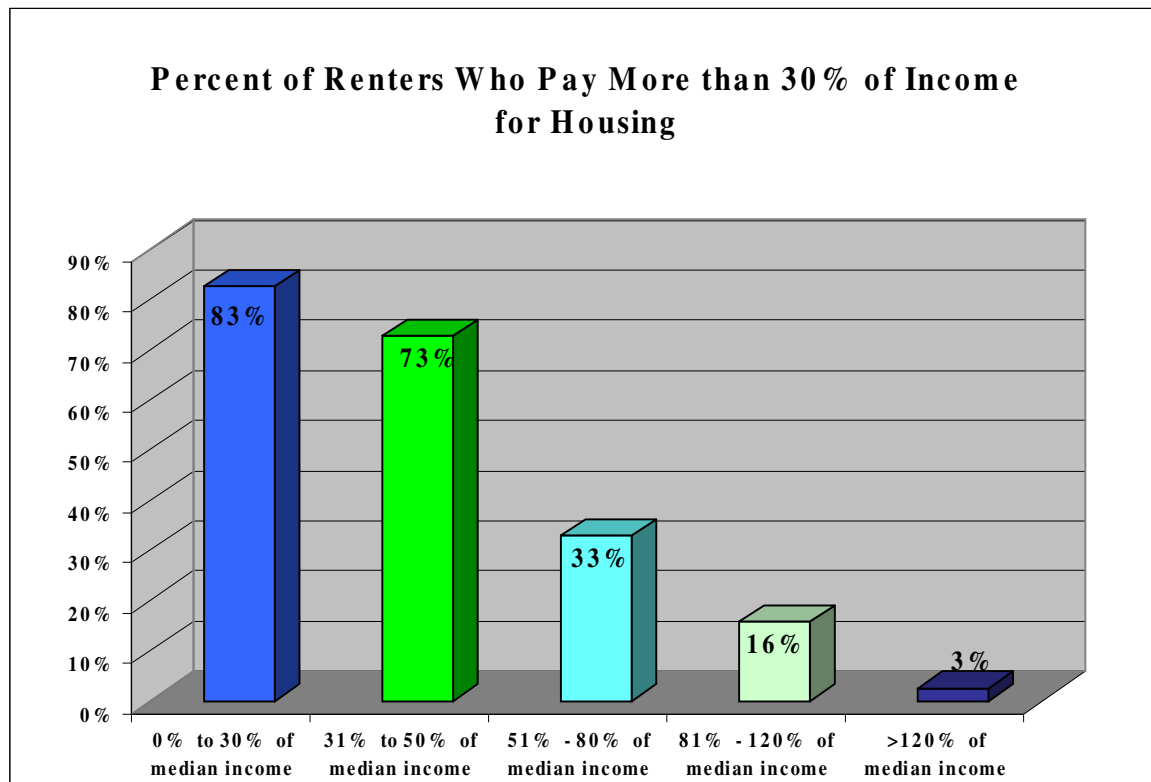
*Outcome: Provide Sufficient Affordable Housing for all King County Residents*

**INDICATOR 22:** Percent of income paid for housing.

A. Renters: Percent of Income Paid for Housing Costs by Income Level, 1990												
<i>Number and Percent of Renter Households in Income Category</i>												
Percent of Income Paid for Housing Costs	0% to 30% of median income		31% to 50% of median income		51% - 80% of median income		81% - 120% of median income		>120% of median income		Total	
<b>30% or more</b>	38,265	83%	29,106	73%	18,479	33%	8,498	16%	1,248	3%	95,596	39%
<b>20% - 29%</b>	6,479	14%	8,876	22%	25,479	45%	22,641	42%	8,896	18%	72,371	30%
<b>less than 20%</b>	1,590	3%	2,044	5%	12,156	22%	23,017	43%	38,532	79%	77,340	32%
<b>Total</b>	<b>46,334</b>	<b>100%</b>	<b>40,026</b>	<b>100%</b>	<b>56,114</b>	<b>100%</b>	<b>54,156</b>	<b>100%</b>	<b>48,676</b>	<b>100%</b>	<b>245,312</b>	<b>100%</b>

**Definitions:**

- Housing cost for renters is defined in the Census. It includes rent and the estimated average monthly cost of utilities and fuels that are paid by the renter.



## AFFORDABLE HOUSING INDICATORS

### INDICATOR 22:

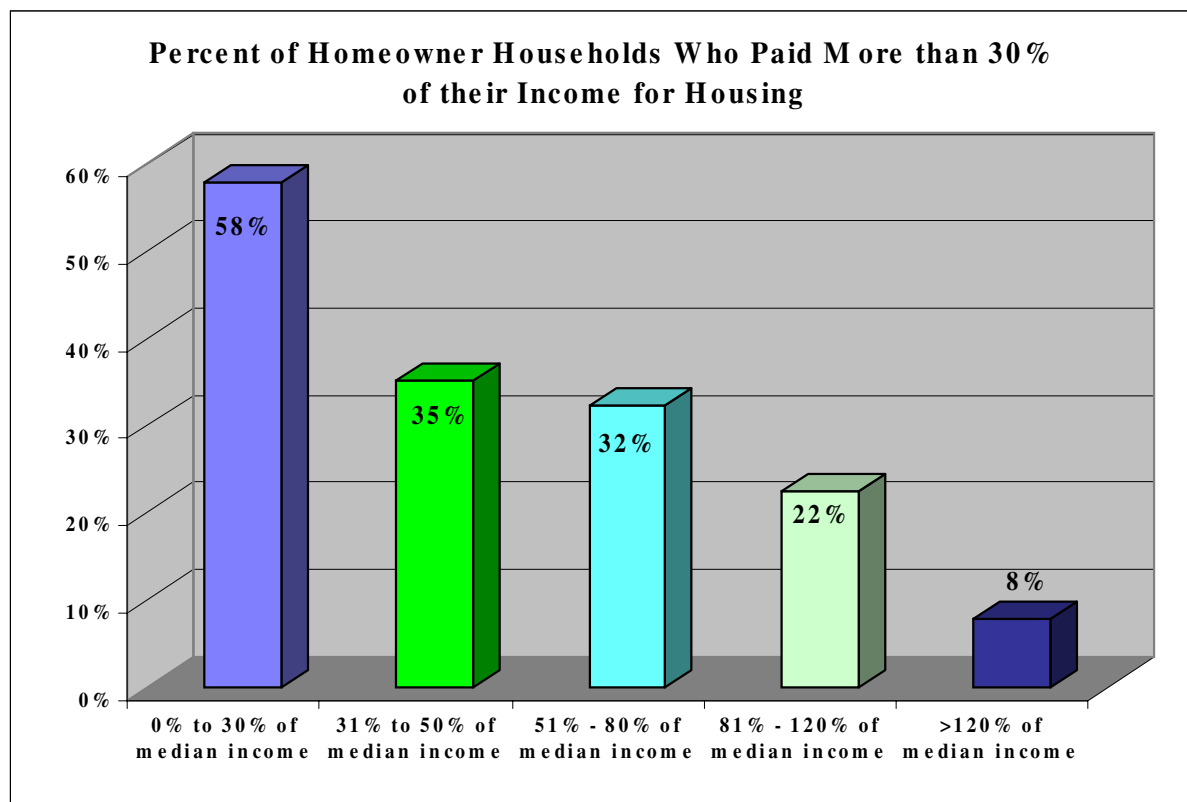
(continued from previous page)

#### B. Homeowners: Percent of Income Paid for Housing Costs by Income Level, 1990

Number and Percent of Homeowner Households in Income Category											
Percent of Income Paid for Housing	0% to 30% of median income		31% to 50% of median income		51% - 80% of median income		81% - 120% of median income		>120% of median income		Total
30% or more	7,751	58%	6,342	35%	12,127	32%	13,564	22%	13,486	8%	53,270 18%
20% to 29%	2,965	22%	3,417	19%	8,027	21%	19,165	32%	46,810	27%	80,384 27%
less than 20%	2,679	20%	8,284	46%	17,502	46%	27,931	46%	113,000	65%	169,396 56%
TOTAL	13,395	100%	18,043	100%	37,656	100%	60,660	100%	173,296	100%	303,050 100%

#### Definitions:

- Housing cost for owners is defined in the Census. It includes payments for mortgages or similar debts on the property; real estate taxes; insurance; utilities and fuels. It also includes monthly condominium and mobile home costs.



## AFFORDABLE HOUSING INDICATORS

### INDICATOR 22:

*(continued from previous page)*

#### Observations:

- The lower a household's income, the more likely it is to pay a higher percentage of its income for housing costs. This is true for renters as well as homeowners.
- When low income families pay more than 30% of their income for housing, resources are often diverted from other essentials -- clothing, food and utilities. These households may also be at greater risk of homelessness.
- Almost 80% of renter households in the two lowest income categories (less than 50% of median household income) paid more than a third of their income to housing costs in 1990. Low income renters are especially vulnerable to high housing costs. They have no protection from rising monthly rents and build no equity in their homes.
- In 1990, 45% of homeowner households in the two lowest income categories paid more than a third of their income to housing costs.

**Data Sources:** *1990 Census of Housing, Detailed Housing Characteristics, State of Washington*, U.S. Census Bureau.

**Policy Rationale:** The Policy rationale stems from Countywide Planning Policies AH-1, AH-2, AH-5 and AH-6, which reflect goals for meeting the housing needs of all income categories with particular emphasis on low and moderate income households' housing needs. This Indicator provides a picture of households at risk of losing their housing because they are "overpaying" what the typical household can afford for housing expenses. This Indicator points to "housing distress" in the County, particularly for moderate- and low-income households. By contrast, the Indicator also illustrates that upper income households typically pay a much lower percentage of income for housing costs.

## AFFORDABLE HOUSING INDICATORS

*Outcome: Provide Sufficient Affordable Housing for all King County Residents*

### INDICATOR 23: Homelessness

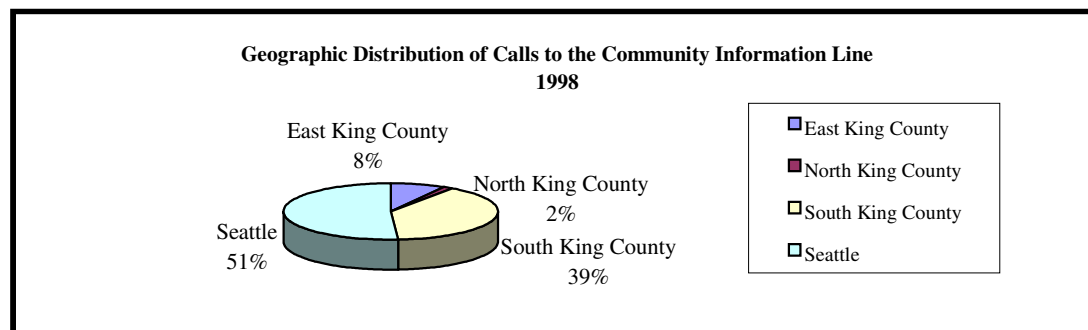
Estimated Number and Percent of Persons who are Homeless	
1998	5,530 (0.34% of county population)

#### Definitions:

- Homeless people are adults, children and youth sleeping in places not meant for human habitation (e.g. streets, parks, alleys, all-night commercial establishments, squatter situations, campgrounds, vehicles, railroad cars and other similar places); and adults, children, and youth in emergency or transitional shelters (including hotel/motel voucher arrangements paid because the person or family is homeless).

#### Observations:

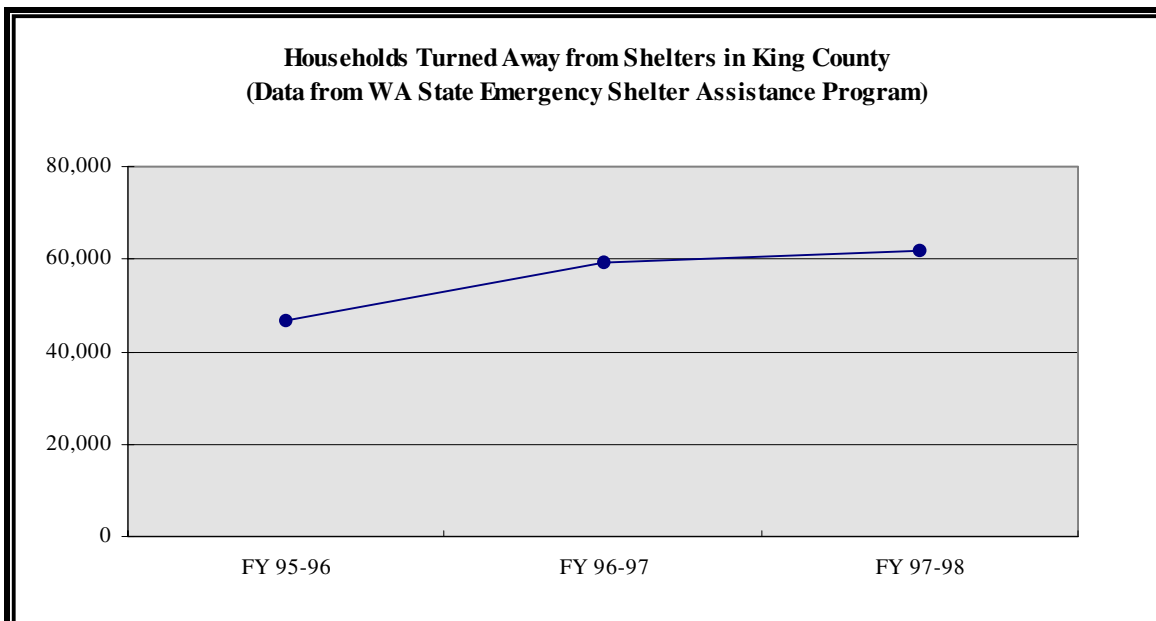
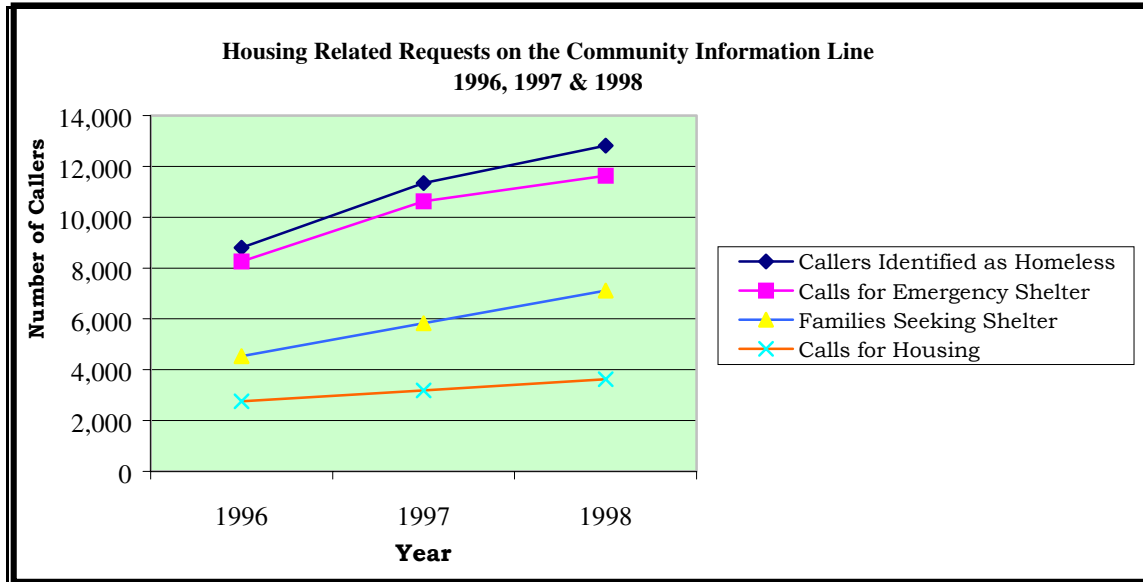
- Existing estimates of total persons homeless in King County are in the range of 5,530 on any given night; this number includes persons in shelters or transitional housing and an estimate of those who are unsheltered. The unsheltered population that is dispersed outside Seattle is the least documented segment of the homeless population. Policy makers use this number as a minimum estimate rather than as an estimate of the magnitude of the problem.
- The Crisis Clinic's Community Information Line is a key referral source for homeless people. The clinic has experienced a 41% increase from 1996-1998 in callers seeking emergency shelter.
- Operation Nightwatch assisted a total of 16,615 persons in 1993 and a total of 45,821 persons in 1998 - nearly three times as many in a period of five years.
- Affordable housing continues to be a major challenge in King County—only 1% of the apartments in King County are available at rents of less than \$400 per month and 27% at rents of \$400 to \$599. Nearly a third of all units rent for \$800 or more. The average rent for all apartments is \$689 in Seattle and \$747 throughout the county. From 1996 to 1998, rents increased 13% throughout the county, one of the hottest markets in the nation.
- A major obstacle for homeless people becoming housed is the high cost of moving into a rental unit. A \$747 apartment (average rent of all units in the county) often requires the first and last month's rent plus a security deposit to move in. Without financial assistance, a homeless person or family would need to save nearly \$2,000 or more to move into this apartment.
- Policies directed toward housing affordability may help to prevent homelessness or reduce the amount of time spent homeless by the economically displaced - those whose difficulties stem chiefly from loss of income or housing. For those whose economic circumstances are caused or aggravated by drug and/or alcohol abuse, domestic violence or mental illness, creating more affordable housing with the necessary adjunct of social services is critical to increasing the likelihood of success.



## AFFORDABLE HOUSING INDICATORS

### INDICATOR 23:

(continued from previous page)



**Data Sources:** King County Department of Community and Human Services, City of Seattle Human Services Department and Office of Housing, Seattle-King County Coalition for the Homeless Annual One Night Survey, 1998.

**Policy Rationale:** The policy rationale stems from Countywide Planning Policy AH-2, regarding planning for low-income housing for households earning less than 50% of the King County median income. This Indicator would reflect changes in the size of the homeless population over time. Most homeless people have extremely low incomes, typically below 30% of the King County median income.

## AFFORDABLE HOUSING INDICATORS

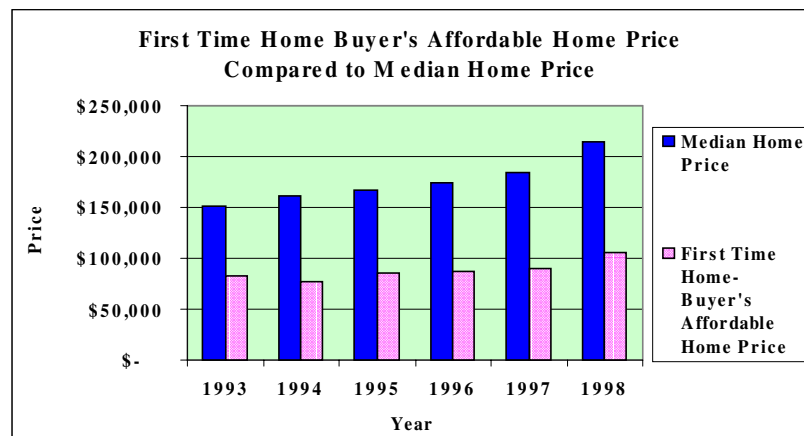
**Outcome:** Promote Affordable Home Ownership Opportunities

**INDICATOR 24:** Home purchase affordability gap for buyers with (a) median renter household income (first-time buyers) and (b) median household income.

A. First Time Home-Buyer's Purchase Affordability Gap				
	Median Home Price	First Time Home Buyer's Affordable Home Price*	First Time Buyer's Affordability Gap in Dollars	Percent of Single Family Homes at or below the Affordable Price
1993	\$151,000	\$83,400	(\$67,600)	NA
1994	\$160,800	\$77,700	(\$83,100)	NA
1995	\$167,650	\$85,500	(\$82,150)	NA
1996	\$174,300	\$87,600	(\$86,700)	NA
1997	\$184,800	\$90,600	(\$94,200)	2%
1998	\$215,000	\$105,400	(\$109,600)	2%
*Assumes Median Renter's Income (67% of median income) and FHA financing (5% down, 7.00% interest)				

### Definitions:

- The affordability gap is the difference between the price of the home that the buyer can afford to purchase and the median price of homes on the market.
- In 1998 the median household income was \$47,656, and the median **renter** (first-time buyer's) household income was \$31,977. The median household income of renters is 67.1% of median household income.
- Renters are assumed to use low down payment financing available for first-time buyers (Table and Chart A). Conventional financing was assumed for the median household (Table and Chart B).
- The median home price is based primarily on resale rather than newly-constructed single family homes. There is currently no measure of median home price that adequately accounts for new construction. New homes are generally more expensive than comparable resale homes; a true median, if it were available, would be higher than the median reported here. However, first-time home buyers are more likely to purchase resale homes.



## AFFORDABLE HOUSING INDICATORS

### INDICATOR 24:

(continued from previous page)

- The median home price given above does not include condo or townhome sales. The median price of condos and townhomes for 1998 was \$131,000. The median home price for both single-family and condos is estimated to be approximately \$196,000.
- Low down payment financing assumes a 30 year term and 5% down payment. Average FHA interest rates were 7.37% in 1993, 8.58% in 1994, 8.05% in 1995, 8.10% in 1996, 7.96% in 1997, and 7.00% in 1998.
- Conventional financing assumes a 20% down payment; average interest rates were 6.72% in 1993, 6.67% in 1994, 7.4% in 1995, 8.17% in 1996, 7.60% in 1997, and 6.95% in 1998.

#### Observations, Table and Chart A:

- Despite falling interest rates and rising incomes, home ownership in King County is an affordable option for only a small percent of moderate income households in King County.
- In 1998, the median renter household had an income of \$32,000 and could afford to purchase a home for \$105,400. Only about 2.4% of single family homes sold for that amount or less. At 80% of median income, a household could afford a home at \$125,700. About 7.5% of single family homes sold for that amount or less in 1998. The median price for a conventional single family home was \$215,000. By February 1999, the median price for a single family home in King County had risen to \$232,000.
- This six year series indicates that the affordability gap for renters is 61% higher than in 1993. Currently the median renter can afford to pay less than half the amount of the median home price.
- Condominium development could potentially create more affordable home ownership opportunities for first time buyers. However, in King County in 1998 even the median-priced condominium was out of reach at \$131,000. The median-price of a condo rose to \$148,990 in February of 1999. When condominiums are included, about 7% of all home sales are affordable to households with the median renter's income.
- Since most condominiums are two bedrooms or less, condominium purchase is predominately a choice for "empty-nesters" rather than for families. The conversion of rental housing to condominium ownership also diminishes the supply of rental housing.

#### B. Comparison of Median Home Price with Median Household's Affordable Home Price

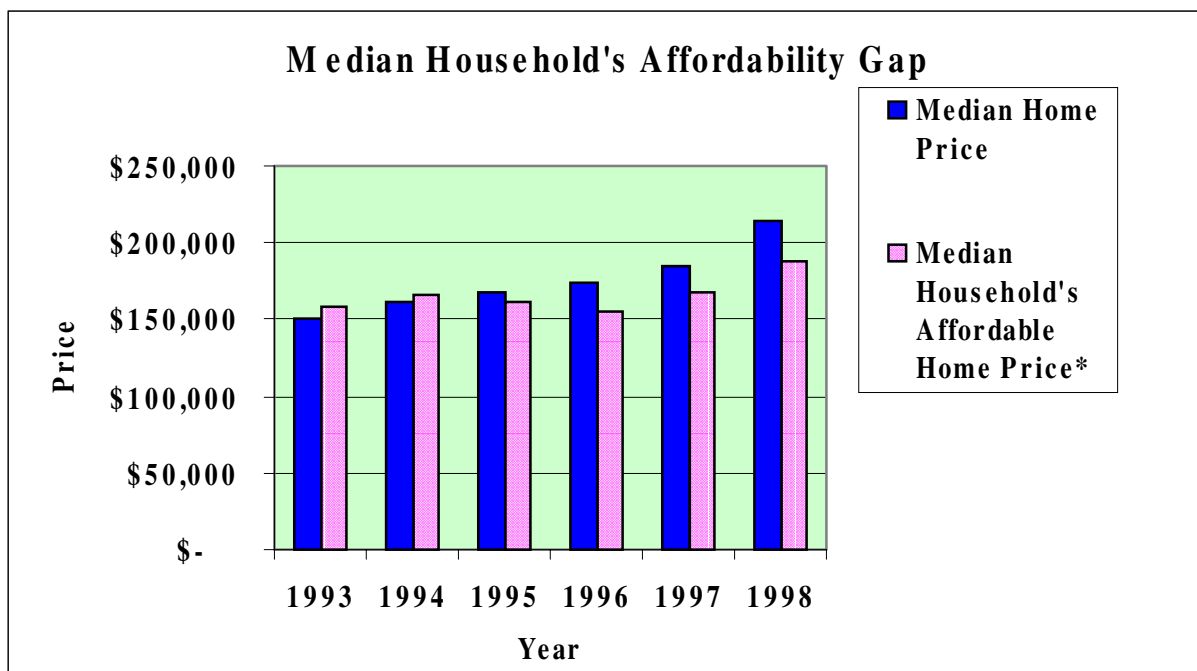
B. Median Household's Home Purchase Affordability Gap				
			Median Household's Affordability Gap	
Year	Median Home Price	Median Household's Affordable Home Price*	In Dollars	Percent of Single Family Homes at or below Affordable Price
1993	\$151,000	\$158,400	\$7,400	NA
1994	\$160,800	\$166,400	\$5,600	NA
1995	\$167,650	\$162,000	(\$5,650)	NA
1996	\$174,300	\$154,900	(\$19,400)	NA
1997	\$184,800	\$167,000	(\$17,800)	34.0%
1998	\$215,000	\$187,500	(\$27,500)	38.0%
*Assumes 100% of median HH income and conventional financing (20% down, 6.95% interest)				



## AFFORDABLE HOUSING INDICATORS

### INDICATOR 24:

(continued from previous page)



#### Observations, Table and Chart B:

- This five year view indicates that the median household could purchase the median home in 1993 and 1994, but faced a growing affordability gap from 1995 - 1998.
- Although the median income of King County households is rising and interest rates have fallen slightly during the past year, the price of homes has continued to increase at a rapid rate. The median home price in 1998 was 42% higher than in 1993. The rise in home prices may slow in the next few years as the local economic boom is tempered by layoffs in the aerospace industry, and as a generous supply of recently-permitted units come onto the market.

**Data Sources:** For median home price and conventional interest rates, the *Seattle Everett Real Estate Research Report* published by the Seattle Everett Real Estate Research Committee. For FHA interest rates, the *Federal Reserve Bulletin* and Federal Home Loan Bank Market Services report, May 1998. For median household income for the Seattle-Bellevue-Everett PMSA, Claritas, Inc.'s *Market Profiles Analysis and Statistical Abstracts of the U.S.* (formerly published by Strategic Mapping, Inc). For percent of affordable homes for sale, Dupre + Scott *King County Housing Affordability, 1998 and 1999*.

**Policy Rationale:** The policy rationale stems from Countywide Planning Policy AH-1, which requires jurisdictions to plan for the housing needs of all residents. This Indicator looks specifically at households earning the median renter household income and their ability to find affordable home ownership opportunities.

## AFFORDABLE HOUSING INDICATORS

*Outcome: Promote Affordable Home Ownership Opportunities*

### INDICATOR 25. Home ownership rate.

Home Ownership Rate			
Year	1980	1990	1997-1998
King County (overall)	62%	59%	59%
Seattle	51%	49%	48%
King County excluding Seattle	71%	65%	65%
Seattle/Bellevue/Everett Metropolitan Area*	NA	65%	63%
75 Largest Metropolitan Areas in the U.S.	NA	NA	64%
Washington State	67%	62%	63%
United States	64%	64%	66%
* Includes King, Snohomish, and Island Counties			

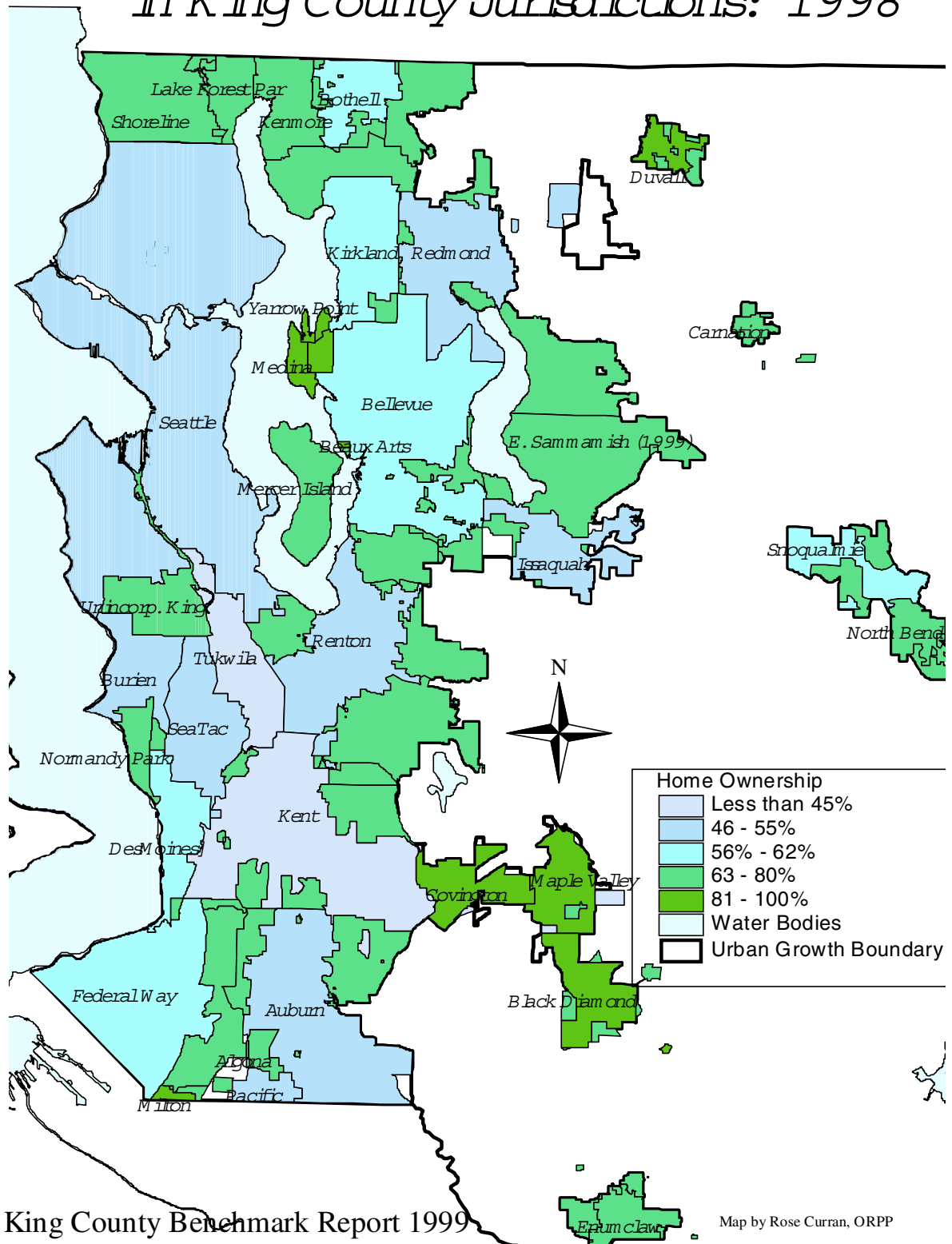
#### Definitions:

- The home ownership rate is the proportion of homes that are owner-occupied. The complement is the proportion of homes that are renter-occupied.
- Homes refer to housing units as defined in the census: all **occupied** houses, apartments, mobile homes or trailers, or a group of rooms or a single room occupied as separate living quarters.

#### Observations:

- King County's estimated home ownership rate of 59% remains nearly the same as it was in 1990. It is lower than the national rate of 66% and the statewide rate of 63%, as would be expected for an urban county. However, it is also somewhat lower than the 63.7% overall rate for the 75 largest metropolitan areas in the U.S.
- The home ownership rates in Washington State, and the United States have each risen over the past 7 years, although Washington State's is lower than it was in 1980. The Seattle-Bellevue-Everett Metropolitan Statistical Area, which includes Snohomish and Island Counties experienced a two percent drop in home ownership between 1990 and 1997. As Snohomish County becomes more densely populated, its traditionally high ownership rate has moved closer to the urban average.
- The rising cost of home ownership in King County has been somewhat offset by the availability of lower interest rates during the past few years. However, affordable home ownership opportunities continue to be more abundant in the neighboring counties than in King County.
- Affordability is an important factor influencing the home ownership rate; affordability in turn is influenced by factors including market practices (banking requirements such as loan-to-value ratios and other lending criteria), interest rates, land values, and costs of labor and materials for new construction.
- About half of the new multifamily complexes (or 24% of the total new units) are intended to be condominiums. Of these condo units about 80% will be owner-occupied. This means that overall about 66% of new units are destined to be owner-occupied and about 34% are likely to be renter-occupied.
- The national home ownership policy goal is a 67% home ownership rate. In 1998 it reached 66.3%.

# Home Ownership Rates in King County Jurisdictions: 1998



## AFFORDABLE HOUSING INDICATORS

### INDICATOR 25:

(continued from previous page)

- In 1997, the home ownership rate in 75 metropolitan areas was 63.7%. In the Seattle-Bellevue-Everett MSA (including all of King, Snohomish, and Island Counties) it was 63%. The Portland-Vancouver MSA's ownership rate was 61.1%. Salt Lake City's was 74.3%, Denver's was 67.5%. Comparison among metropolitan areas is difficult because the amount of suburban/rural area that is included varies widely. San Francisco's ownership rate was 48.8% while the City of Seattle's was 48.6%.

#### *Home Ownership at the Sub-Regional Level*

- The map on the following page shows the rate of home ownership in King County jurisdictions in 1998.
- Generally speaking, the rate of home ownership is highest in the less densely populated areas where single-family homes dominate. Areas with ownership rates of 80% or greater include unincorporated King County, especially areas along the urban growth boundary, outlying cities such as Milton, Covington, Maple Valley, Black Diamond, Duvall, and the five "point" cities of Beaux Arts, Clyde Hill, Hunts' Point, Medina, and Yarrow Point
- The north end cities of Shoreline, Lake Forest Park, and Kenmore, as well as Mercer Island, Newcastle, Carnation, and Algona have ownership rates in the 68– 80% range.
- The lowest home ownership rates are in Kent and Tukwila, with rates less than 45%. This is due to a combination of a high number of multifamily dwellings and a higher than average percent of single-family rentals.
- Seattle has a home-ownership rates of 48%. Auburn and Renton have rates of 50%. Redmond, Pacific, SeaTac, Issaquah, and Burien also have home ownership rates below the County average of 59%.

Home Ownership Rates in King County Jurisdictions - 1998					
<i>Below County Average</i>		<i>Close to County Average</i>		<i>Above County Average (cont.)</i>	
Tukwila	40%	Snoqualmie	60%	Mercer Island	77%
Kent	44%	Bothell	62%	Lake Forest Park	78%
Seattle	48%	Bellevue	62%	<i>Very High Ownership Rate</i>	
Auburn	50%	Enumclaw	63%	Unincorp. King Cty	80%
Renton	50%	<i>Above County Average</i>		Medina	84%
Redmond	53%	Normandy Park	66%	Covington	84%
Pacific	53%	Woodinville	66%	Maple Valley	84%
SeaTac	53%	Skykomish	66%	Duvall	86%
Issaquah	54%	Shoreline	68%	Black Diamond	86%
Burien	54%	North Bend	69%	Hunts' Point	89%
<i>Close to County Average</i>		Kenmore	70%	Yarrow Point	91%
Federal Way	56%	Carnation	71%	Milton	92%
DesMoines	57%	Newcastle	73%	Clyde Hill	95%
Kirkland	57%	Algona	75%	Beaux Arts	95%
<i>King County Average - 59%</i>					



## AFFORDABLE HOUSING INDICATORS

### INDICATOR 25:

*(continued from previous page)*

**Data Sources:** U. S. Census, *General Housing Characteristics, Washington, 1980*. U.S. Census, *Summary Social, Economic, and Housing Characteristics, Washington, 1990*. Department of Housing and Urban Development, as reported in *The Seattle Times*, October 27, 1996. The 1997 estimates for the metropolitan statistical areas are available at [www.census.gov/hhes/housing](http://www.census.gov/hhes/housing). 1998 housing unit information from the King County Assessor's Office provides the basis for the map on the preceding page.

**Policy Rationale:** The policy rationale stems from Countywide Planning Policy AH-6. Home ownership has traditionally indicated the relative health and stability of the community. However, home ownership rates have been declining for younger families and households for the last decade. This Indicator will also measure home ownership rates in comparison to other Western Washington counties.

## AFFORDABLE HOUSING INDICATORS

**Outcome:** *Provide Sufficient Affordable Housing for All King County Residents*

**INDICATOR 26:** Apartment vacancy rate.

Average Apartment Vacancy Rates in King County Subareas					
	County	North [Seattle & Shoreline]	South	East	Rural
1994	5.8%	4.5%	7.5%	4.1%	5.1%
1995	5.0%	3.6%	6.7%	3.3%	7.2%
1996	4.3%	2.7%	5.9%	2.6%	7.2%
1997	2.8%	1.8%	3.7%	2.8%	2.6%
1998	3.3%	1.8%	3.8%	3.6%	2.2%

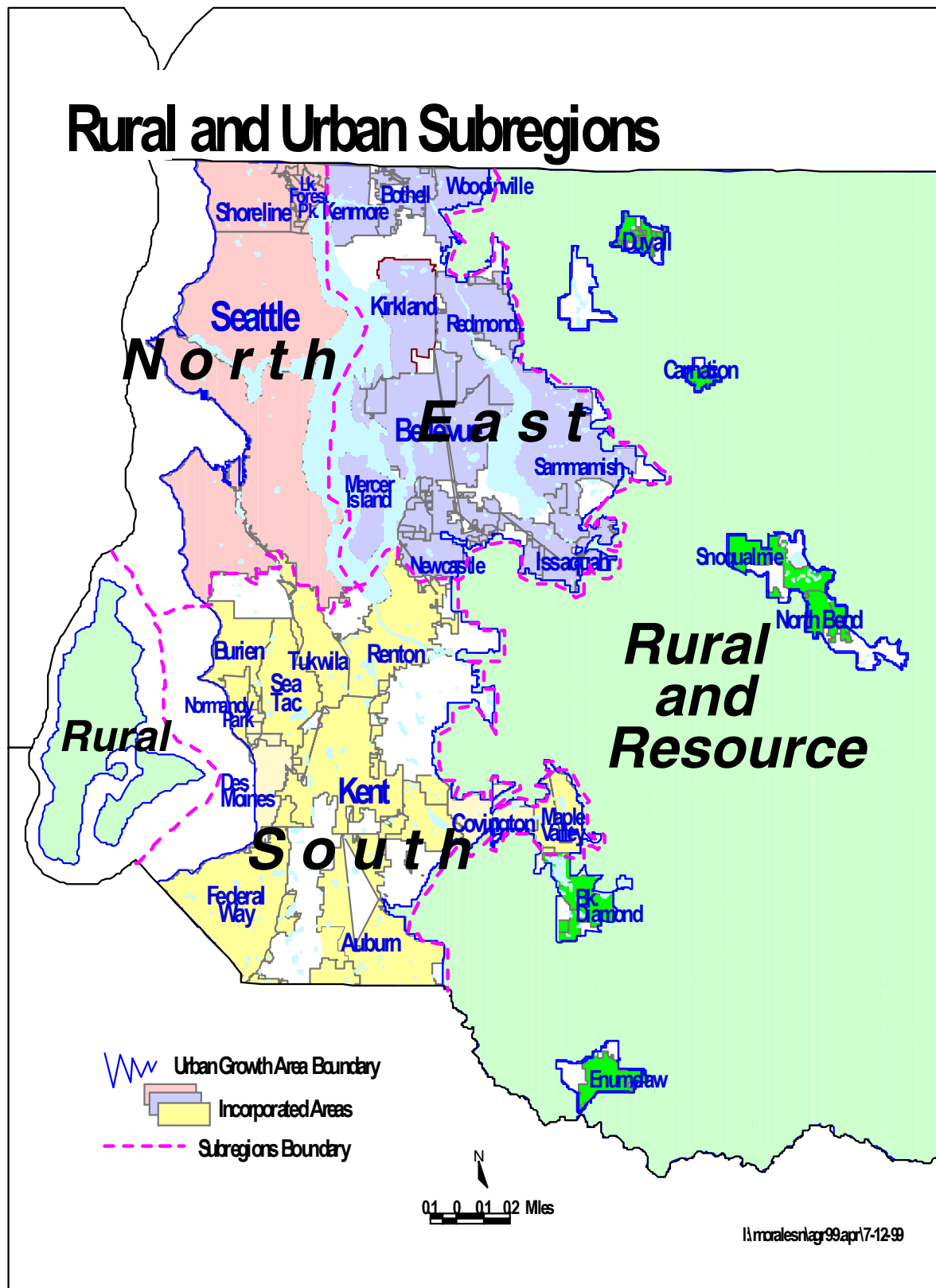
### Definitions:

- The King County subareas shown above are depicted on the map following this Indicator.
- The north subarea is predominantly Seattle, but also includes Lake Forest Park and the area that is now the City of Shoreline.
- The rural subarea consists of Enumclaw and Maple Valley.

### Observations:

- After showing a downward trend from 1994 – 1997, King County’s overall average vacancy rate rose slightly to 3.3% in 1998. Vacancy rates vary widely across King County sub-regions, with corresponding variations in whether and to what extent rents will be expected to increase. For the last two years vacancy rates in the North (Seattle) region, and the South region have remained nearly the same. In the rural area the vacancy rate has fallen by .4%, while in the East region it has risen by .8% since last year.
- Rental vacancy rates are influenced by the availability of housing stock, and measure the capacity to accommodate household demand. Continuing low vacancy rates suggest high demand for new units and upward pressure on rents. High rates suggest excess capacity and downward pressure on rents. A vacancy rate of 5% is generally regarded as a normal market rate. Lower rates indicate that there are fewer units available.
- Currently, the leveling off or increase in vacancy rates indicate that housing stock is beginning to catch up with demand. However, the 1998 vacancy rates are still well below the normal market rate.

## AFFORDABLE HOUSING INDICATORS





## AFFORDABLE HOUSING INDICATORS

### INDICATOR 26

*(continued from previous page)*

**Data Sources:** Rental vacancy rates by sub-areas are based on a twice yearly survey of apartment properties with more than 20 units, by Dupre & Scott Apartment Advisors, Inc. The survey generally represents a sampling of 70 percent of all the 20 or more unit apartment buildings in the region. The survey is reported by sub-area; the reported sub-areas have been aggregated into the larger sub-areas shown above (north, south, east, rural) and their vacancy rates have been averaged over the two annual survey periods.

**Policy Rationale:** This Indicator is not specifically required by the Countywide Planning Policies, however, Policy AH-6 calls for a 5-year evaluation of achievement of countywide and local goals for housing taking into consideration market factors. Vacancy rates indicate capacity to accommodate household demand, which influences the rate at which rents rise. Tracking vacancy rates over time and in comparison to other jurisdictions (comparable to King County) and national averages will inform the evaluation process.



## AFFORDABLE HOUSING INDICATORS

*Outcome: Promote Affordable Home Ownership Opportunities*

**INDICATOR 27:** Trend of housing costs vs. income.

Rate of Increase in Income, Home Price and Rent: 1990 - 1998						
Year	Median Household Income	Yearly Percent Increase in Median HH Income	Median SF Home Price	Yearly Percent Increase in Median SF Home Price	2 BR / 1 BA Average Rent	Yearly Percent Increase in Rent for 2 BR/1BA Apt.
1990	\$ 36,465		\$ 140,000		\$ 537	
1992	\$ 39,225	3.8%	\$ 148,000	2.9%	\$ 610	6.8%
1994	\$ 41,104	2.4%	\$ 161,000	4.4%	\$ 642	2.6%
1996	\$ 44,344	3.9%	\$ 185,000	7.5%	\$ 622	-1.6%
1998	\$ 47,656	3.7%	\$ 215,000	8.1%	\$ 708	6.9%
<b>1990 - 1998 Rate of Increase (Annual)</b>		<b>3.8%</b>		<b>6.7%</b>		<b>4.0%</b>

Note: The "yearly percent increase" is an annualized rate based on the increase over a two year period.

### Definitions:

- The median SF home price is for detached single family homes in King County. It does not include condos.
- Median household income is the income of the "middle" household. Half of the county's households earn more than this amount and half earn less than this amount. Median **renter** income is the median household income for those who rent. It is 67.1% of the median household income.
- Affordable rent is defined as rent not exceeding 30% of household income, when utilities are included.

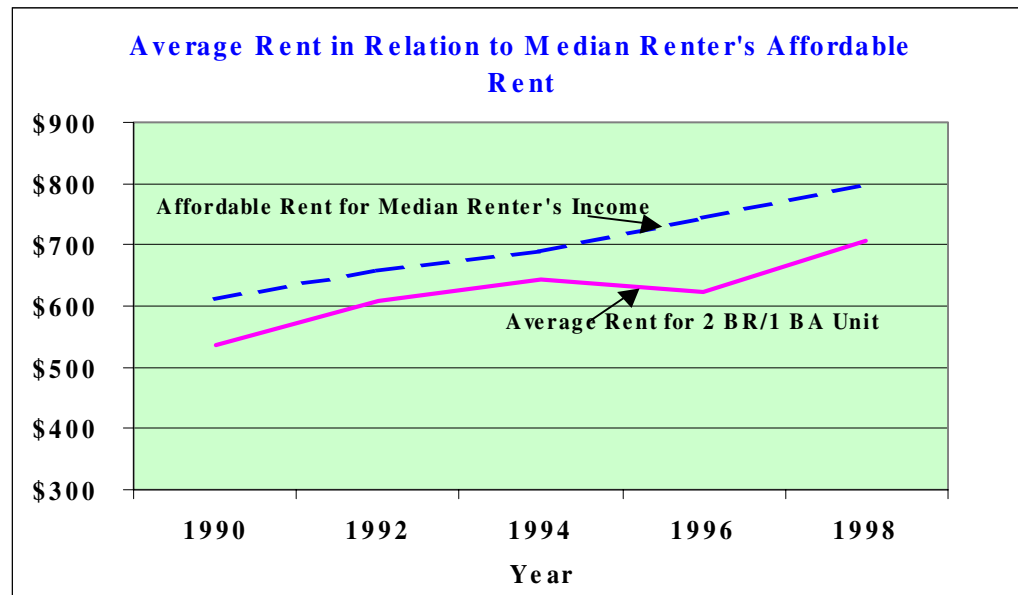
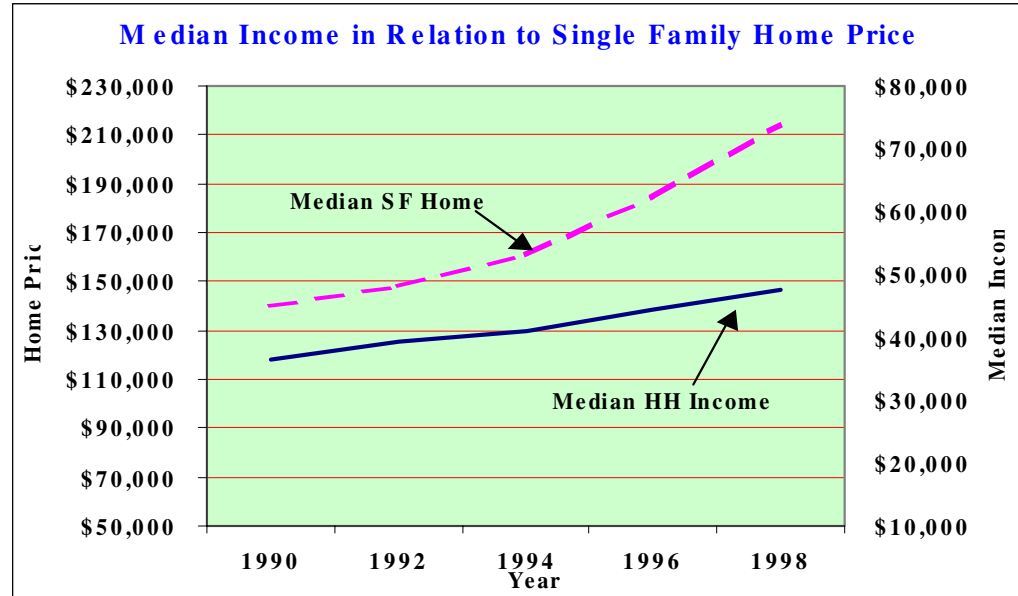
### Observations:

- The median price for a single family home was \$215,000 in 1998. The median price for condos was \$131,000. House prices have increased more dramatically than median household income from 1995 to 1998. Increases in average rent have correlated more closely with changes in median income.
- Single family home prices reached their maximum rate of increase in the late 1980s -- the annual average increase was 12.5% per year in 1985 through 1990. Although the rate of increase was slower in the first half of the 1990s, home prices have again increased rapidly in 1996, 1997 and 1998, due to a strong regional economy.
- Home prices in the Puget Sound region rank among the highest in the nation. King County has the highest home prices within the region. In September 1998, the average home price (single family and condos) in King County was 55% higher than in Pierce County and 28% higher than in Snohomish County.
- Average rent for a two bedroom, 1 bathroom apartment in King County was \$708 in 1998, up 8% from \$655 in 1997. For a median renter income, affordable rent in 1998 was \$798. In 1998, by this measure a household with a median renter income could afford an average 2 bedroom apartment. However, households of more than two to three persons in this income category are likely to require a larger unit at a higher median rent. In King County 2BR rents are 9% higher than in Snohomish County and 31% higher than in Pierce County.

## AFFORDABLE HOUSING INDICATORS

### INDICATOR 27:

(continued from previous page)



**Data Source:** For median household income for the Seattle-Bellevue-Everett PMSA, Claritas, Inc.'s *Market Profiles Analysis and Statistical Abstracts of the U.S.* (formerly published by Strategic Mapping, Inc.). For average rent and average single family home price, *Seattle-Everett Real Estate Research Report and 1997 Review and Highlights/Northwest Multiple Listing Service*.

**Policy Rationale:** The policy rationale stems from Countywide Planning Policies AH-2 and AH-6. This Indicator measures how quickly housing costs are increasing, and compares it to the rate of increase in median household income.

## AFFORDABLE HOUSING INDICATORS

**Outcome:** *Promote Equitable Distribution of Affordable Low-Income Housing throughout King County.*

**INDICATOR 28:** Public dollars spent for low income housing.

Public Dollars Spent for Low Income Housing	
<b>1996</b>	<b>\$21,073,042</b>
<b>1997</b>	<b>\$24,991,309</b>
<b>1998</b>	<b>\$19,350,912</b>

### Definitions:

- *Low income housing is defined as housing affordable to households earning 80% or below the median income in King County. In 1998, a household of 3 at 80% of the median income earned \$42,500 a year.*
- *These public dollars represent funds which are controlled at the individual jurisdiction level such as bonds, levies, each jurisdiction's general funds and any in-kind contribution that can be quantified such as a waiver of fees or donation of land. Except for federal HOME dollars and some federal Community Development Block Grant (CDBG) funds, expenditures of federal and state funds are not included in the total. The \$ 19,350,912 million figure above only includes local public dollars allocated to the new construction, rehabilitation, and/or preservation of housing with long-term affordability provisions.*
- *A preserved unit differs from a rehabilitated or constructed unit. It is an existing unit of housing which is required to remain or to become affordable for a specific period of time. For instance, with the help of public funds a non-profit agency purchases a market rate housing development that is then rented or sold with a requirement of long term affordability. A rehabilitated unit refers to repair or restoration of existing affordable housing. However, for most rehabilitated units there is no guarantee of long term affordability; therefore, such units do not increase the existing stock of affordable housing.*
- *Funds used for operating subsidies are not included in the figure above. An operating subsidy pays for items such as utilities, rent, or case management services located at the housing site. Many cities spend local dollars on housing operating subsidies, homeless prevention, and shelters. In the future we will track these critical expenditures as well.*
- *Renton, Seattle, King County, and the Muckleshoot Tribe also have housing authorities. Housing Authorities' expenditures are not represented in the total for this Indicator.*

### Observations:

- *The purpose of Indicator #28 is to track the individual contributions each King County jurisdiction is making toward affordable housing for King County citizens at or below 80% of the median income.*
- *The \$19,350,912 of local public dollars listed above leverage a significant amount of federal and state funds. Federal and State dollars provide the bulk of the funding for low income housing in King County. Although these funds are not included, their existence is critical to increasing the supply of affordable housing.*
- *Approximately 685 new low income housing units were funded in King County outside of Seattle with local public dollars. About 400 of these units were funded with federal HOME dollars.*
- *In 1998, an additional 267 units in King County, outside of Seattle, were rehabilitated without long-term affordability requirements. A total of \$2,609,738 in public dollars was expended on these units. See jurisdiction notes for how these funds were expended in each jurisdiction.*



## AFFORDABLE HOUSING INDICATORS

- Public dollars spent for low-income housing in 1998 have declined from the previous two years because of a decrease in local funds spent for low-income housing. In 1998, jurisdictions spent roughly \$13 million of local funds for low-income housing compared to \$15 million and \$18.3 million in 1996 and 1997 respectively.
- It is incorrect to derive the cost per unit by dividing the number of units listed here by the amount of local public dollars. Many additional funding sources helped pay for these units.

**Data Source:** King County cities' Benchmark Data, King County Office of Regional Policy and Planning, King County Department of Community and Human Services.

**Policy Rationale:** Countywide Planning Policy AH-6 calls for the Growth Management Planning Council (GMPC) or its successor to evaluate every five years the achievement of countywide and local goals for housing for all economic segments of the population. As part of its evaluation, the GMPC will review local performance in meeting low and moderate income housing needs. The policy requires the GMPC to use reasonable judgment, and consider market and other factors, and evaluate "action taken to encourage development and preservation of low and moderate income housing, such as local funding, development of code changes, and creation of new programs."

Metropolitan King County *Countywide Planning Policies* Benchmark Program

## AFFORDABLE HOUSING INDICATORS

### Indicator #28 Background Information

1998 Long-Term Affordable Housing Supported with Local Public Dollars				
	CDBG		Local Funds	Total
	New	Rehabilitation	(New & Rehab)	(CDBG & Local)
Algona	\$0	\$0	\$0	\$0
Auburn	\$0	\$166,000	\$0	\$166,000
Beaux Arts	\$0	\$0	\$0	\$0
Bellevue	\$35,375	\$294,700	\$1,860,000	\$2,190,075
Black Diamond	\$0	\$0	\$0	\$0
Bothell	\$83,000	\$17,167	\$0	\$100,167
Burien	\$0	\$60,686	\$0	\$60,686
Carnation	\$0	\$0	\$0	\$0
Covington	\$0	\$0	\$0	\$0
Clyde Hill	\$0	\$0	\$0	\$0
Covington	\$0	\$0	\$0	\$0
DesMoines	\$0	\$24,600	\$0	\$24,600
Duvall	\$0	\$0	\$0	\$0
Enumclaw	\$0	\$19,315	\$0	\$19,315
Federal Way	\$0	\$176,772	\$2,000	\$178,772
Hunts Point	\$0	\$0	\$0	\$0
Issaquah	\$28,000	\$1,402	\$0	\$29,402
Kenmore	\$0	\$0	\$0	\$0
Kent	\$0	\$240,095	\$0	\$240,095
Kirkland	\$0	\$52,239	\$0	\$52,239
Lake Forest Park	\$0	\$32,481	\$0	\$32,481
Maple Valley	\$0	\$0	\$0	\$0
Lake Forest Park	\$0	\$0	\$0	\$0
Maple Valley	\$0	\$0	\$0	\$0
Medina	\$0	\$0	\$0	\$0
Mercer Island	\$25,000	\$13,500	\$0	\$38,500
Milton	\$0	\$0	\$0	\$0
Newcastle	\$0	\$0	\$0	\$0
Normandy Park	\$0	\$0	\$0	\$0
North Bend	\$0	\$0	\$0	\$0
Pacific	\$0	\$0	\$0	\$0
Redmond	\$90,000	\$12,500	\$0	\$102,500
Renton	\$0	\$99,904	\$176,400	\$276,304
SeaTac	\$105,000	\$90,000	\$0	\$195,000
Seattle	\$1,694,630	\$742,216	\$8,985,936	\$11,422,782
Shoreline	\$40,000	\$105,895	\$0	\$145,895
Skykomish	\$0	\$0	\$0	\$0
Snoqualmie	\$0	\$0	\$0	\$0
Tukwila	\$0	\$133,375	\$0	\$133,375
Woodinville	\$0	\$0	\$0	\$0
Yarrow Point	\$0	\$0	\$0	\$0
Unincorp. KC	\$417,486	\$1,069,108	\$2,456,131	\$3,942,725
<b>All Jurisdictions</b>	<b>\$2,518,491</b>	<b>\$3,351,954</b>	<b>\$13,480,467</b>	<b>\$19,350,912</b>

(Notes on following page.)

## Metropolitan King County *Countywide Planning Policies* Benchmark Program

# AFFORDABLE HOUSING INDICATORS

### Notes on Table above

- Public dollars are defined as funds that are controlled at the individual jurisdiction level such as bonds, levies, each jurisdiction's general funds, and any in-kind contribution that can be quantified such as a waiver of fees or donation of land. Local bond funds are only reported in the year the bonds are issued. For the most part, federal and state funds are not included. However, federal Community Development Block Grant funds spent on housing are counted for King County Consortium "pass through" cities, for Seattle and for unincorporated King County. "Pass-through" cities, Seattle and King County have local discretion whether to spend CDBG funds on housing rather than other eligible capital expenditures such as parks.
- The King County CDBG funds also include money allocated on behalf of King County small cities. These cities do not received their own CDBG funds.

### Jurisdictions' Notes

**Auburn** rehabilitated 52 units in their repair program and contributed \$75,000 to HomeSight to provide home ownership purchase assistance to low and moderate income households.

**Bellevue** rehabilitated 51 units. \$477,463 was spent for operating emergency shelter assistance, transitional housing and shelters for victims of domestic violence, as well as access modifications for apartment units for disabled persons.

**Bothell** rehabilitated 2 units.

**Burien** repaired 14 units. \$5,000 in CDBG was also allocated for emergency shelter operations.

**DesMoines** repaired 10 units.

**Enumclaw** rehabilitated 3 units.

**Federal Way** repaired 27 units and contributed \$75,000 to HomeSight which provides home ownership purchase assistance to persons of low and moderate income. \$34,000 in general funds was spent in 1998 for emergency shelter operations, including rental assistance payment. 1998 adoption of Cluster Subdivision Ordinance to allow for smaller lots and zero lot line development (two units maximum) in single family zoning districts. The 1998 adoption of Affordable Housing Regulations to require a percentage of new multi-family development be affordable housing and to provide for incentives for affordable housing in new single family developments.

**Issaquah** rehabilitated 2 units. \$9,500 in general funds was spent emergency and transitional housing operations.

**Kent** rehabilitated 71 homes through its Home Repair Program. Kent also provided operating subsidies for emergency and transitional housing in the amount of \$69,833 from its general fund. An additional \$32,198 in CDBG was spent on domestic violence shelters.

**Kirkland**: repaired 8 units and spent \$34,428 in CDBG for shelter support operations.

**Lake Forest Park** rehabilitated 3 units. Additionally, \$19,017 was allocated to a project that would have created affordable units. However, the project failed to obtain sufficient operating support from the state.

**Mercer Island** rehabilitated 1 unit.

**Redmond**: rehabilitated 1 single-family unit. \$28,980 in CDBG in operating subsidy was used to fund emergency shelter services.

**Renton** through the King County Housing Rehabilitation program rehabilitated a total of 17 units. Locally, they spent \$176,400 to rehabilitate 157 units. \$14,000 was spent on operating subsidies for emergency and transitional housing.

**SeaTac** rehabilitated 34 units. \$5,000 in CDBG funds was allocated for fair housing support and contributed \$10,500 to REACH (Regional Effort to Achieve Community Housing), for regional affordable housing planning efforts in South County.

**Seattle** rehabilitated 55 units. Locally, they spent \$540,372 from the housing levy on operating subsidy for emergency shelter and homelessness support services. An additional \$2,211,311 in HOME funds was spent to for acquisition, preservation and homeownership assistance of 99 units. The City also approved creation of a property tax exemption program in certain geographic areas of the City to boost housing production. The first project will be approved in 1999. The City created 475 units through its multifamily program using CDBG, levy, and general fund dollars.

**Shoreline** rehabilitated 13 units. Additionally, \$16,000 in CDBG was spent on operating subsidy for emergency shelter and homelessness support services.

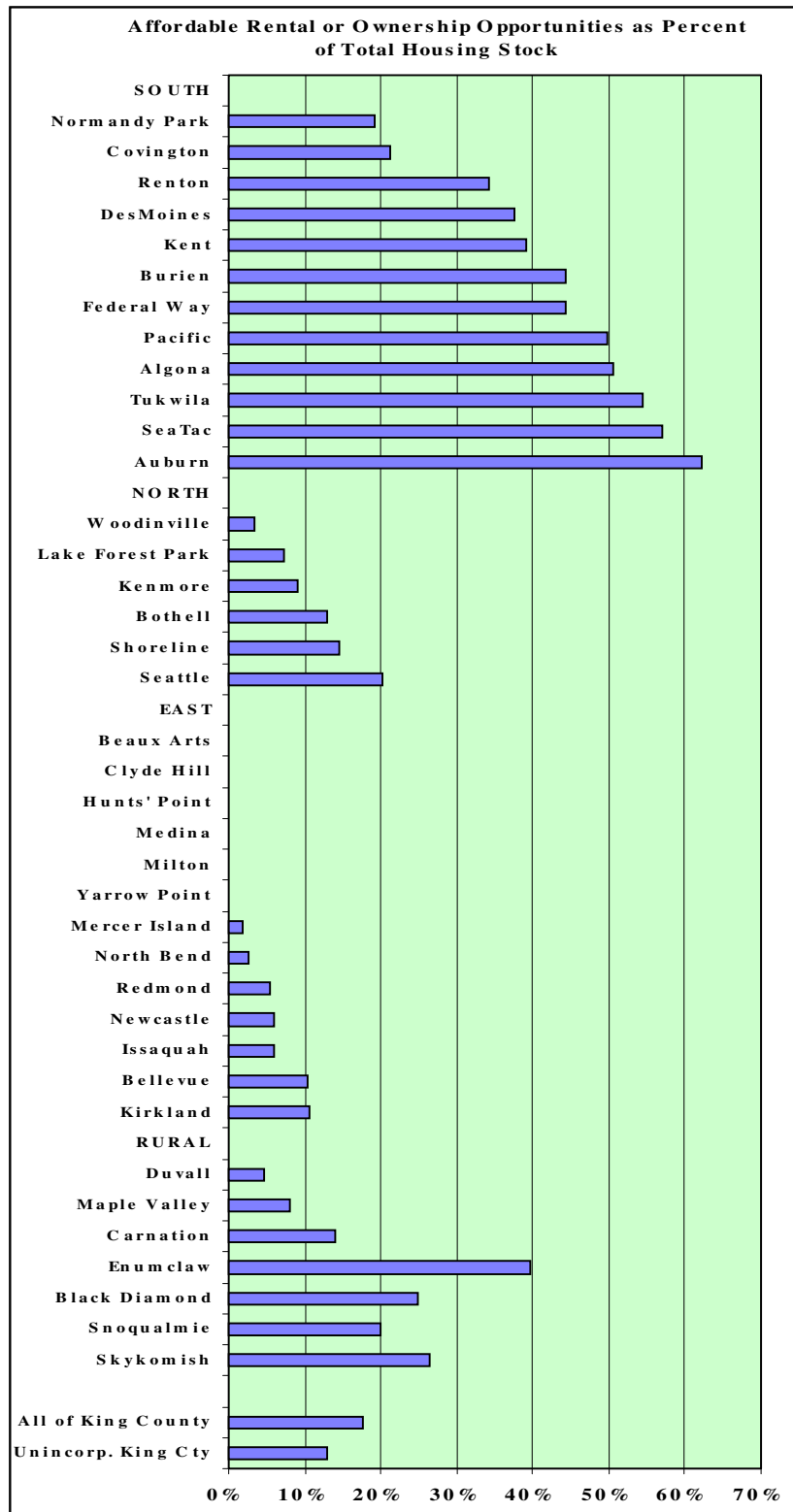
**Tukwila** through the King County Housing Repair rehabilitated 7 units. An additional \$20,071 was spent emergency support and rental assistance operations. Tukwila also contributed \$10,000 to REACH.

**Unincorporated King County** rehabilitated 125 units. An additional amount \$2,825,273 of federal HOME dollars was allocated on behalf of the King County HOME Consortium; a group of all the suburban cities and unincorporated King County. Funded projects include homeownership assistance for approximately 36 households and acquisition or preservation of 364 rental units (Seattle receives its own HOME funds.) Regulatory measures used to produce low-income units include: ADU regulations, waivers for school impact and road mitigation fees, and density bonuses.

\$546,919 in CDBG funds was spent on operating subsidies for domestic violence shelters, emergency and transitional housing.

## AFFORDABLE HOUSING INDICATORS

**INDICATOR 29:** Existing housing units affordable to low income households.



## AFFORDABLE HOUSING INDICATORS

### INDICATOR 29:

(continued from previous page)

#### Definitions:

- An “affordable rental or ownership opportunity” means a rental unit affordable to a household earning under 50% of median income, or a home affordable to a household earning under 80% of median income.
- For this indicator, H.U.D. definitions of median income by household size are used to determine affordability. For instance, median income for a household of three in 1998 was considered to be \$53,100. See the table in Indicator #21 for a sample of 1998 H.U.D. income levels by household size.
- Low income households include any household with an income less than 50% of the median for that household size. Thus, a household of three at 50% of median income would earn \$26,550 and could afford \$664 per month (30% of monthly income) for rent, assuming utilities are included.
- First-time home buyers are likely to be those with moderate income (80% of median) or above, again based on household size. A household of three at 80% of median would have earned \$42,480 in 1998. They could afford a monthly payment of \$885, which would purchase a home priced at about \$166,300. This assumes a 30 year mortgage with a low down payment (5%) and an interest rate of 7.0%. An affordable home payment is 25% of monthly income. Utilities, taxes, home maintenance and/or condo fees are not included in this amount.
- The number of affordable units in each jurisdiction is determined in the following way: 1) A rental unit is considered affordable to those below 50% of median income if the rent for a 1 BR unit is affordable to a low income household of two, or the rent for a 2 BR unit is affordable to a low income family of three, etc. 2) The percentage of single family and multifamily units with affordable rents is determined by a representative sample of rental units for that city. 3) The King County Assessor’s Office provides data on the total existing stock of housing by structure type (multi- vs. single family) for each quarter section and jurisdiction. Using updated information on renter vs. owner-occupancy for each structure type, a close approximation of the existing housing stock by both tenure and structure type can be determined. 4) Applying the sample percentages to the actual housing stock yields the number of existing housing units of each type that are affordable. **Only market-rate are included in the sample of rental units.**
- For affordable home sales a similar methodology is used. The “sample” is all home sales between 4/1/98 and 3/31/99 in King County. Since almost no home sales are affordable at 50% of median income, a home is considered an affordable ownership opportunity if it is affordable to a household at 80% of median income or below. Sale prices in each jurisdiction are assumed to be representative of the values of the “owner-occupied” housing stock as a whole, so the percent of affordable sales is applied to all owner-occupied units to determine the number of “affordable” homes in that jurisdiction. Again, subsidized units are not considered.
- The background chart which follows shows that some cities have more affordable rental units, while others have more affordable home ownership opportunities. For the sake of simplicity a total of all “affordable” units, both rental and ownership, is given. Dividing that total by the total housing stock yields a single “percent of affordable units” for each jurisdiction. These percents should be considered as a broad index of overall affordability in a city. They are shown in the chart above.

#### Observations:

- Overall, South King County and the rural cities have the highest proportion of existing affordable housing.
- Cities on the Eastside have the lowest proportion of affordable housing. Most cities in the north end of the County also have a lower than average proportion of affordable housing.
- Seattle has a moderate percentage (19%) of affordable rental units, but a fairly low percentage of homes affordable to first-time buyers (11%). Homes include single family, condominium, or mobile homes.





## AFFORDABLE HOUSING INDICATORS

- There is a rapidly growing stock of condominiums in Seattle and in the larger suburban cities, but since most of these are 2 BR units or smaller, they are most attractive to “empty-nesters” or single people.
- Approximately 21% of the population earns less than 50% of the median income, and another 17% earns 50 to 79% of median income. To meet demand, and to satisfy the goal of equitable distribution of affordable housing, at least 38% of a jurisdiction’s total housing stock would need to be affordable. 10 King County cities meet this criteria. Another 6 cities have 20% - 34% of their housing stock at affordable levels. 8 cities have 10 – 20% affordable housing, while 16 more cities have less than 10% of their units affordable to either rent or buy.

**Data Sources:** Dupre + Scott Apartment Advisors, *King County Housing Affordability*, May, 1999. King County Assessor’s Office, 1990 Census of Population and Housing, Detailed Housing Characteristics. King County DDES building permit data.

**Policy Rationale:** The policy rationale stems from Countywide Planning Policy AH-2 and AH-6, which call for achieving a rational and equitable distribution of affordable housing to meet the needs of low and moderate income residents in King county and directs all jurisdictions to share the responsibility. This indicator focuses only on low-income housing and its location in the County.



Metropolitan King County *Countywide Planning Policies* Benchmark Program

## AFFORDABLE HOUSING INDICATORS

Existing Affordable Housing Stock in King County Cities: 1998 - 1999							
	RENTAL		OWNERSHIP		TOTAL		
City Name	Total Rental Units Affordable at 50% of Median	Percent of Rental Units Affordable at 50% of Median	Single Family & Condos Affordable under 80% of Median	Percent of S.F. & Condos Affordable Under 80% of Median	Total Affordable Housing: Rental or Ownership	Total - all unit types*	Percent of Affordable Housing: Rental or Ownership
Auburn	7,054	88.1%	2,683	35.1%	9,737	15,656	62%
SeaTac	3,741	75.5%	2,309	41.0%	6,050	10,585	57%
Tukwila	2,723	61.3%	1,316	44.3%	4,040	7,414	54%
Algona	29	13.1%	407	63.4%	436	860	51%
Pacific	644	67.9%	344	33.2%	988	1,983	50%
Federal Way	8,494	60.3%	5,492	31.3%	13,986	31,599	44%
Burien	3,900	66.2%	1,807	25.8%	5,707	12,900	44%
Enumclaw	990	63.8%	656	25.1%	1,646	4,161	40%
Kent	8,576	51.5%	3,131	23.7%	11,707	29,858	39%
DesMoines	2,741	56.0%	1,509	23.4%	4,250	11,331	38%
Renton	4,506	43.3%	2,559	25.1%	7,065	20,605	34%
Skykomish	0	0.0%	47	40.0%	47	178	26%
Black Diamond	23	9.8%	394	27.2%	417	1,678	25%
Covington	0	0.0%	916	25.3%	916	4,313	21%
Snoqualmie	0	0.0%	145	34.2%	145	713	20%
Seattle	38,047	28.4%	12,615	10.6%	50,663	252,699	20%
Normandy Park	434	47.7%	78	4.5%	512	2,659	19%
Carnation	60	32.1%	31	6.9%	90	629	14%
Shoreline	1,871	29.1%	909	6.8%	2,780	19,750	14%
Unincorp. King Cty	6,834	24.2%	11,678	10.2%	18,511	142,787	13%
Bothell	301	12.3%	526	13.2%	827	6,424	13%
Kirkland	711	8.0%	1,501	12.7%	2,212	20,710	11%
Bellevue	2,122	12.5%	2,458	8.9%	4,580	44,650	10%
Kenmore	551	29.4%	18	0.4%	569	6,314	9%
Maple Valley	220	30.0%	147	3.8%	368	4,604	8%
Lake Forest Park	275	25.0%	89	2.3%	363	5,031	7%
Issaquah	5	0.2%	267	11.1%	273	4,538	6%
Newcastle	0	0.0%	189	8.0%	189	3,214	6%
Redmond	114	1.3%	931	9.2%	1,046	19,302	5%
Duvall	71	33.4%	0	0.0%	71	1,493	5%
Woodinville	35	2.9%	80	3.4%	116	3,535	3%
North Bend	0	0.0%	39	3.7%	39	1,517	3%
Mercer Island	50	2.4%	115	1.7%	165	8,925	2%
Yarrow Point	0	0.0%	0	0.0%	0	399	0%
Milton	0	0.0%	0	0.0%	0	332	0%
Medina	0	0.0%	0	0.0%	0	1,209	0%
Hunts' Point	0	0.0%	0	0.0%	0	197	0%
Clyde Hill	0	0.0%	0	0.0%	0	1,099	0%
Beaux Arts	0	0.0%	0	0.0%	0	118	0%
All of King County	96,807	33.2%	26,895	6.5%	123,701	705,964	18%
*This total excludes owner-occupied duplex, triplex, or fourplex units, since there is no reliable data on the cost of those units							



Metropolitan King County *Countywide Planning Policies* Benchmark Program

## **AFFORDABLE HOUSING INDICATORS**

Affordable housing map is provided in a separate file due to size.  
Click on this note to go to map.